FORMAT: Performance Security as Insurance Surety Bond

(To be stamped in accordance with Stamp Act of India)

Insurance Surety Bond No.
Start Date:

To

General Manager(DAS)

BICC-1, 2nd Sector, 24th Main,

17th Cross, HSR Layout,

Bengalure-560102.

Dear Sir/Madam,

In consideration of the "**General Manager,DAS,BESCOM"** (Hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to **M/s**……..with its Registered / Head Office at…….. (Hereinafter referred to as the 'Agency', which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, executors and assigns), a Contract by issue of Employer's Notification of Award No…….. the same having been unequivocally accepted by the Agency, resulting into a Contract bearing No……**, dated**……..**,** valued at **Rs**……..and the Agency having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to Rs…….. (5% of the Contract value) of the said value of the Contract to the Employer.

We……*{Name & Address of the Insurer]*having its Head Office at…… (hereinafter referred to as the 'Insurer', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Employer, on demand any and all amount payable by the Agency to the extent of Rs……..as aforesaid at any time up to……..without any condition, demur, reservation, contest, recourse or protest and/or without any reference to the Agency. Any such demand made by the Employer on the Insurer, stating that the Agency has failed to perform its contractual obligations, shall be conclusive and binding notwithstanding any difference between the Employer and the Agency or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Insurer undertakes not to revoke this Insurance Surety Bond during its currency and or any period extended under the contract, without prior consent of the Employer and further agrees that the guarantee herein contained shall be enforceable till Employer discharges this guarantee.

The Employer shall have the fullest liberty, without affecting in any way the liability of the Insurer under this Insurance Surety Bond, from time to time to extend the performance of the Contract by the Agency for the purpose of which, the Insurer shall be liable to extend the validity of the present

Insurance Surety Bond without any demur, condition, protest and the Insurer shall at no point in time have an option of revoking the same, The Employer shall have the fullest liberty, without affecting this Insurance Surety Bond, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Agency, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Employer and the Agency or any other course or remedy or security available to the Employer.

The Insurer shall not be released of its obligations under these presents by any exercise by the Employer of its liberty with reference to the aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Employer or any other indulgence shown by the Employer or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Insurer.

The Insurer also agrees, and rider takes that the Employer at its option shall be entitled to enforce this Insurance Surety Bond against the Insurer as a Surety, in the first instance without proceeding against the Agency and notwithstanding any security or other guarantee that the Employer may have in relation to the Agency's liabilities.

The Insurer hereby agrees and acknowledges that the Employer shall have a right to invoke this Insurance Surety Bond in part or in full, as it may deem fit.

Notwithstanding anything contained herein above our liability under this Insurance Surety Bond is restricted to Rs……..and it shall remain valid initially for a period of 12 months and shall be extended year on year to cover the performance guarantee valid up to 180 Days after the end of Guarantee period (Defect Liability period), as may be desired by **M/s……** *[Agency's Name)* on whose behalf this Insurance Surety Bond has been given.

Dated this …….. Day of …… , 2026 at …….. .

WITNESS:

1. …… ……..

(Signature) (Signature)

…….. ……

(Name) (Name)

…… ……

(Official Address) (Designation with Insurer Stamp)
Authorised Vide Power of Attorney No. …….

Dated ……..

2. ……..

(Signature)

……..

(Name)

……..

(Official Address)

Notes:

1. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI).
2. The Employer shall be the Creditor, the Agency shall be the Principal debtor, and the Insurance Company / Insurer shall be the Surety in respect of the Insurance Surety Bond to be issued by the Insurer.
3. The Insurance Surety Bond should be on Non-Judicial Stamp Paper / e-Stamp Paper of appropriate value as per Stamp Act prevailing in the state of Karnataka. The Stamp Paper/e-Stamp Paper shall be purchased in the name of the Agency / Insurer issuing the Insurance Surety Bond.
4. While getting the Insurance Surety Bond issued, the Agency is required to ensure compliance to the points mentioned in the EMD and PBG clauses of the tender document.